
Developing High Performance Government Agencies

NASA - Goddard Space Flight Center

November 17, 1999

Frank Ostroff

Problem

- Percentage of public who trust the government in Washington to do "what is right" most of the time:
 - Early 1960s - 75%
 - 1997 - 22%

Source: American National Election Studies University of Michigan

Organizational approaches

Traditional "Command and Control" Bureaucracy

- Internal
- Fixed objectives
- Hierarchical/vertical
- Compliance
- Toward top
- Control oriented

Focus
Performance

Structure

Values

Power

Leadership

High-Performing Organizations for 2000 and Beyond

- External/customer focused
- Aspirational/continuous improvement
- Horizontal
- Agility/teamwork
- Balanced
- Vision and value driven

Assertion

Biggest challenge facing leaders today is **realizing the potential** of efforts under way

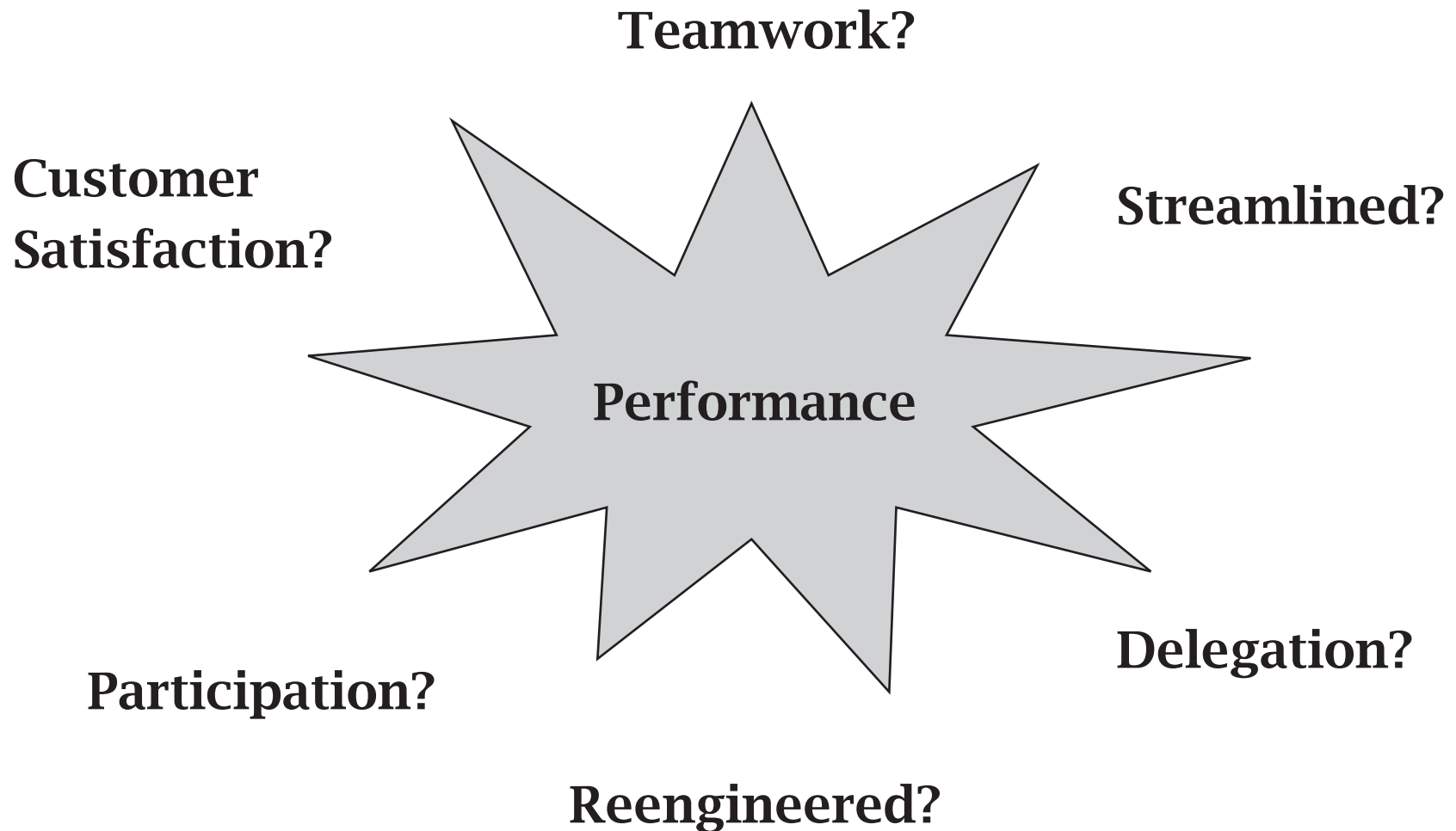
How? Principles

- **Performance is the objective**
- Change-committed leadership
- All enablers included/aligned
- Horizontal organization can help
- Appropriate methodology/"road-map" are required
- Simultaneous top-down/bottom-up/cross-functional initiatives are required

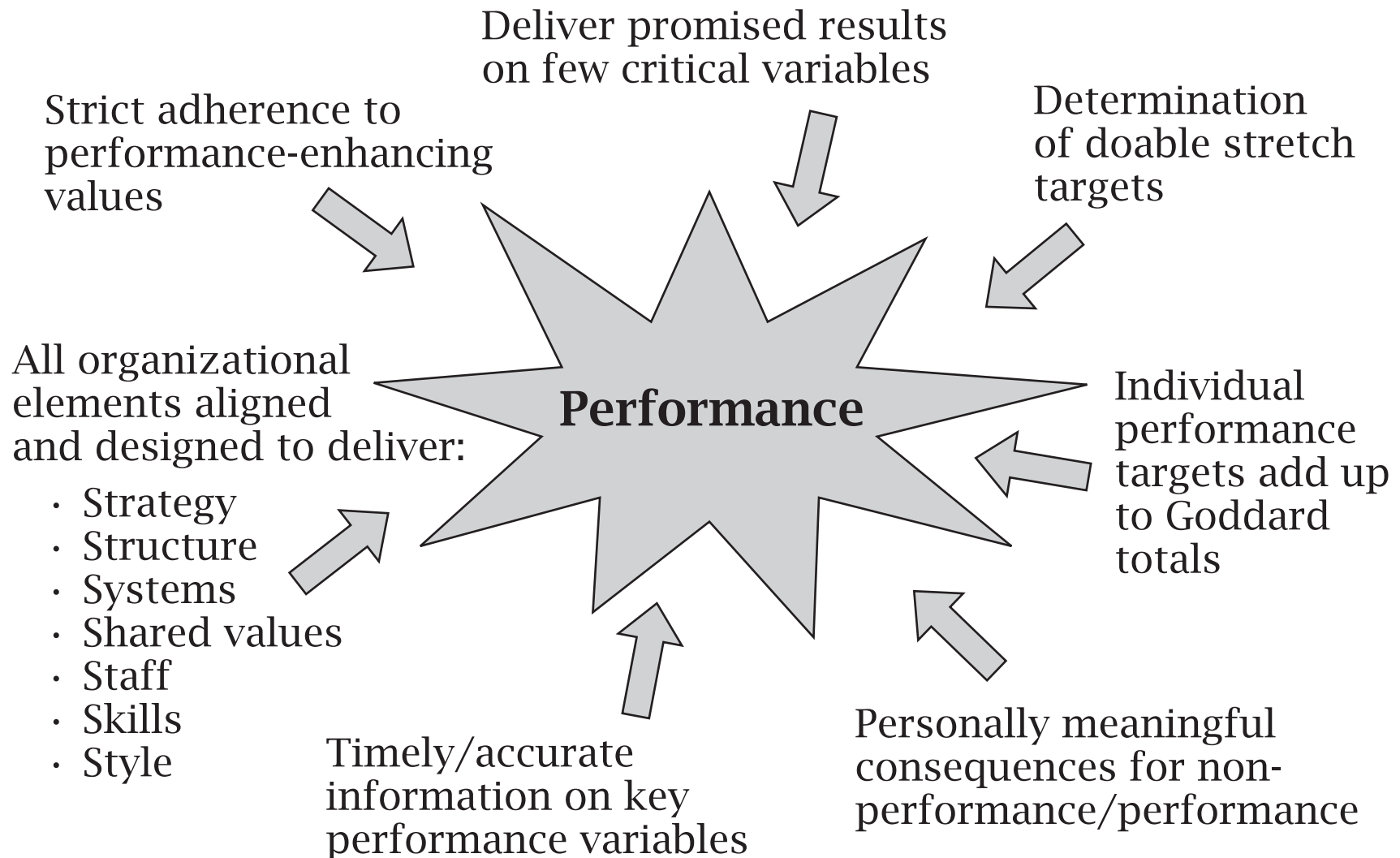
What do these organizations have in common?

Goddard	"Project Goddard"
OSHA	"Reinvention"
General Electric	"Boundaryless Organization"
Ford	"Employee Involvement"
IDS/American Express	"Best Place to Work"
Motorola	"Six Sigma"
Hanover Insurance	"Learning Organization"
Wallace	"Win the Baldrige"
IBM	"Market-Driven Quality"
Champion International	"The Transition"
Florida Power and Light	"Quality"
Aetna	"Reengineering"

Objective

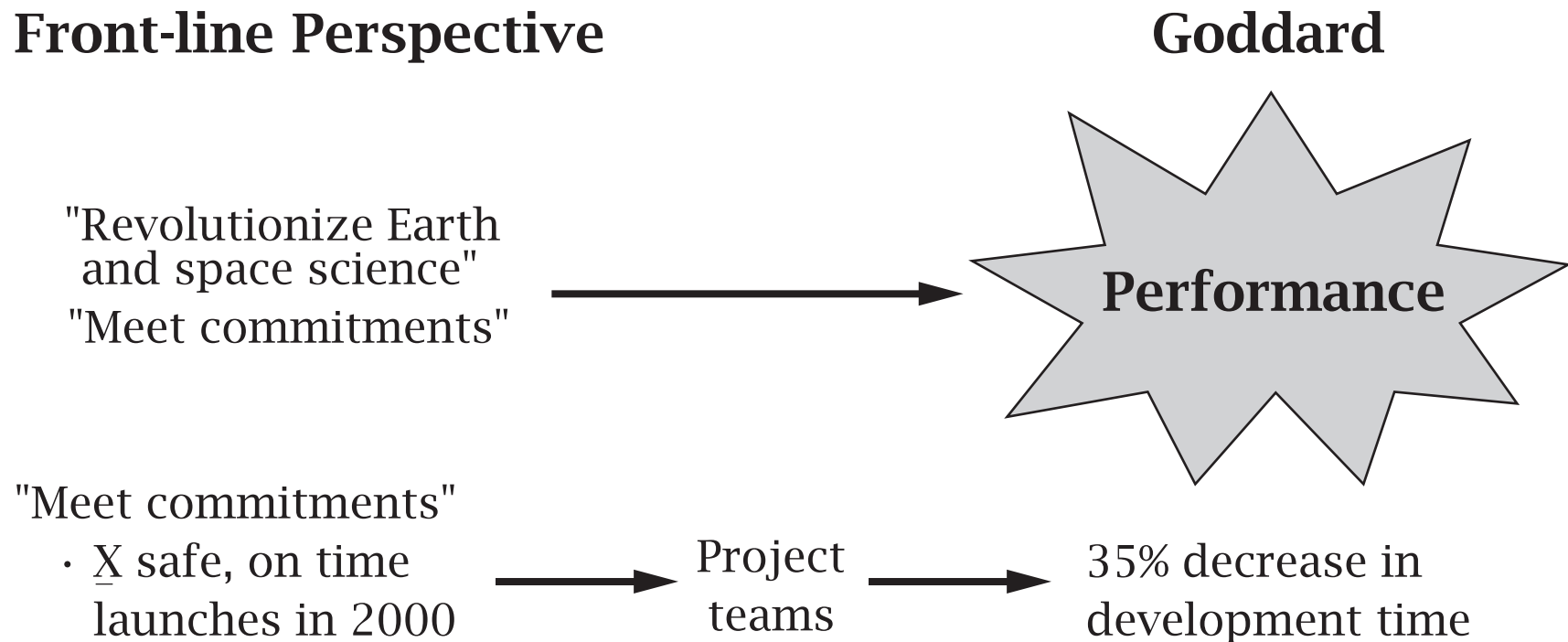


More than numbers



Rock-solid linkage

Front-line Perspective



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Leadership actions

- Establish "case for change"
- Create a guiding coalition
- Establish a clear, meaningful vision
- Form a cohesive, high-performing leadership team
- Invest adequate time and energy
- Take symbolic actions/set example
- Break bottlenecks (procedures, residence, resources)
- Hold people accountable
- Solves problems in the transition process

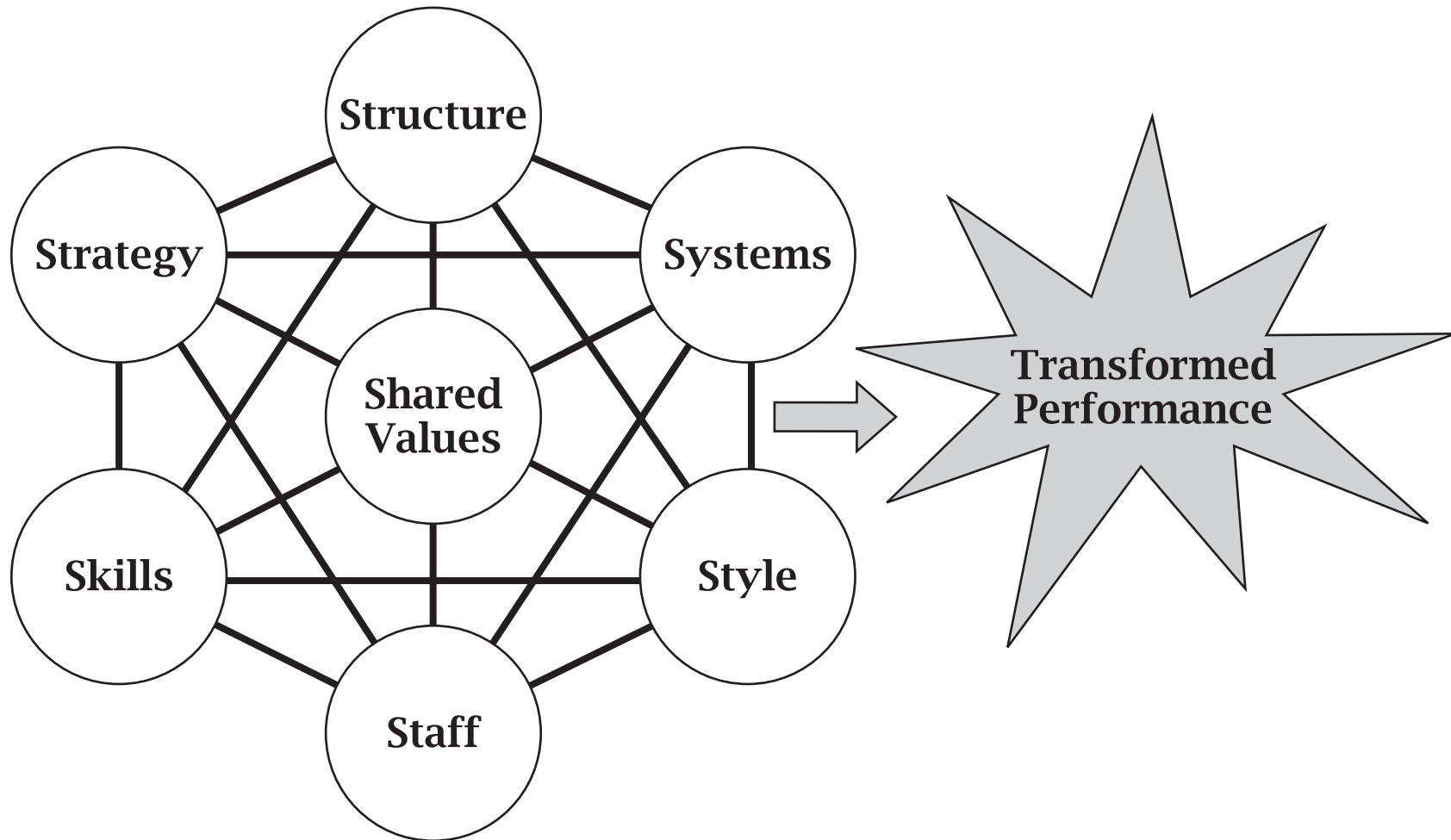
Leadership actions

- Establish tough but doable goals (short- and long-term and hold accountable)
- Empower broad-based action
- Consolidate gains and drive more change
- Anchor new approach is in the culture
- Maintain focus on performance

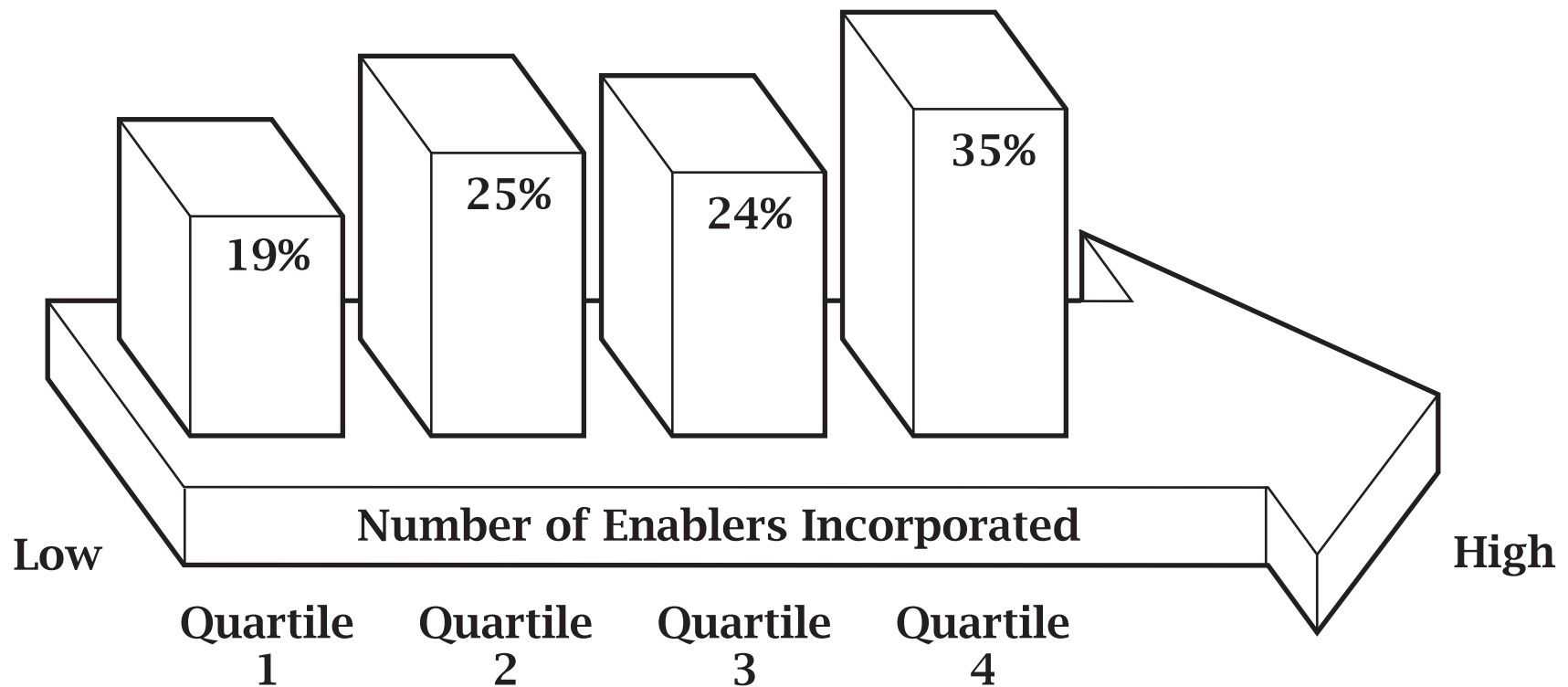
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Performance enablers



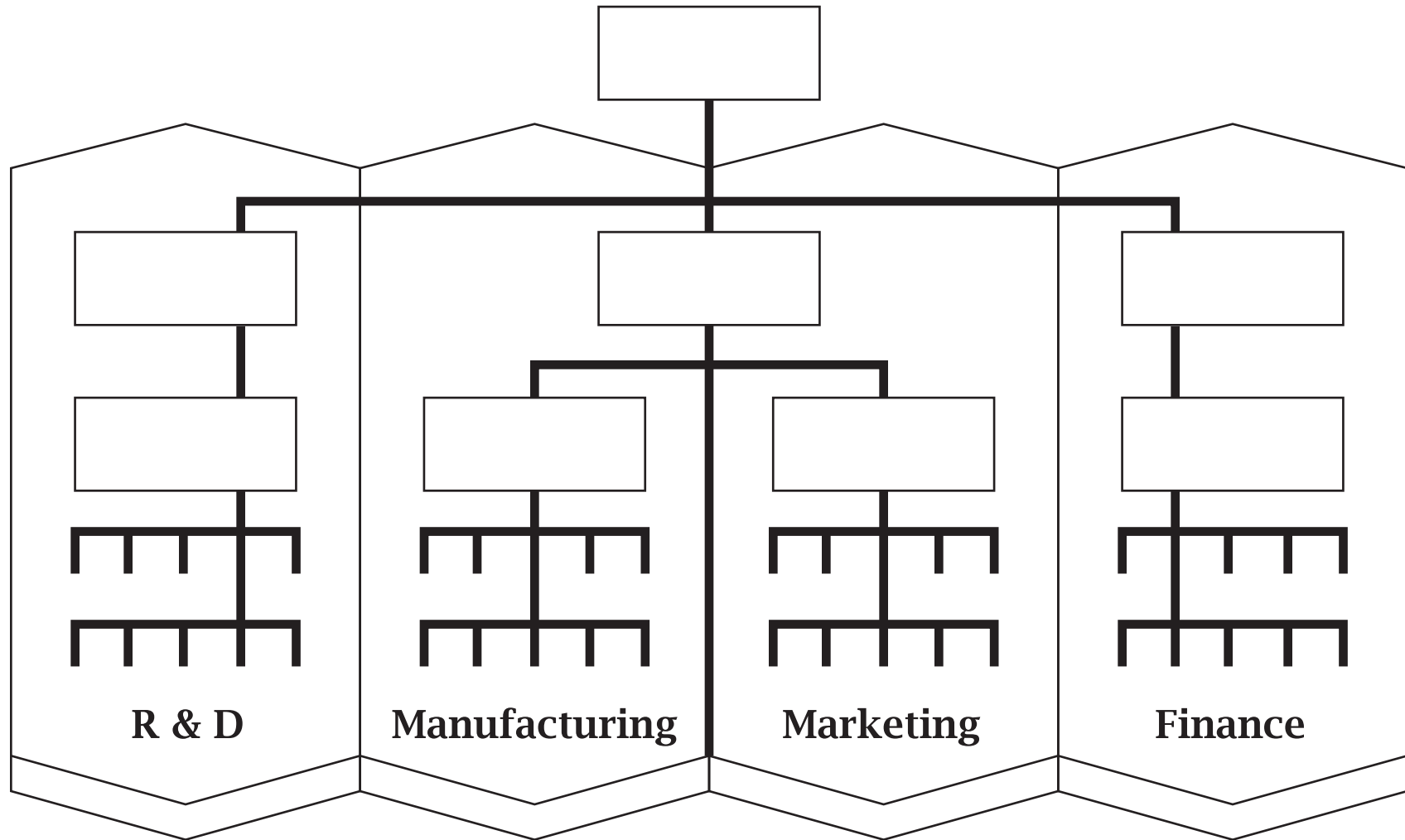
Impact on performance - Cost



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Traditional vertical organization



Why it does not work!

- Looks "up" instead of "out"
- Fragmented performance objectives
- High coordination costs
- Stifled creativity and initiative

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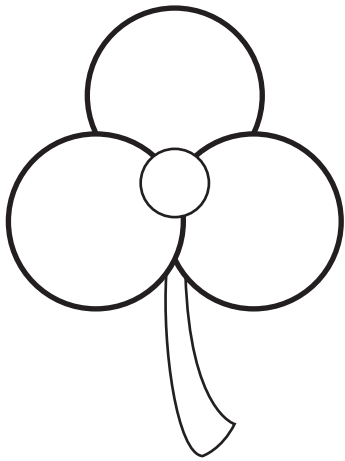
Power

Leadership

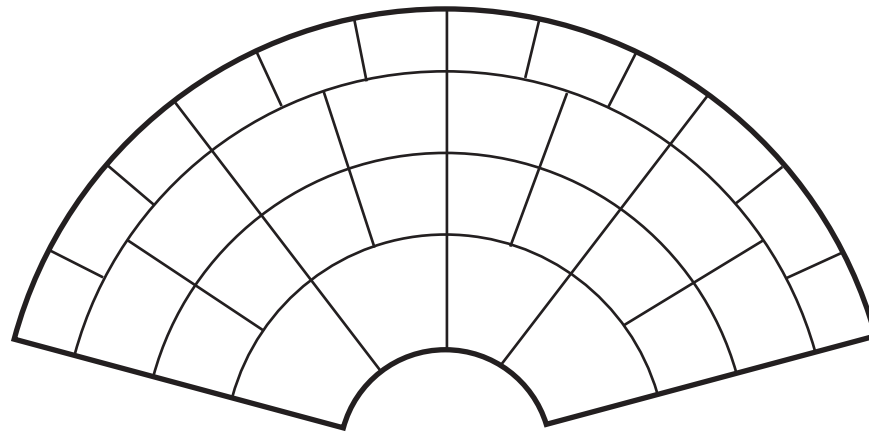
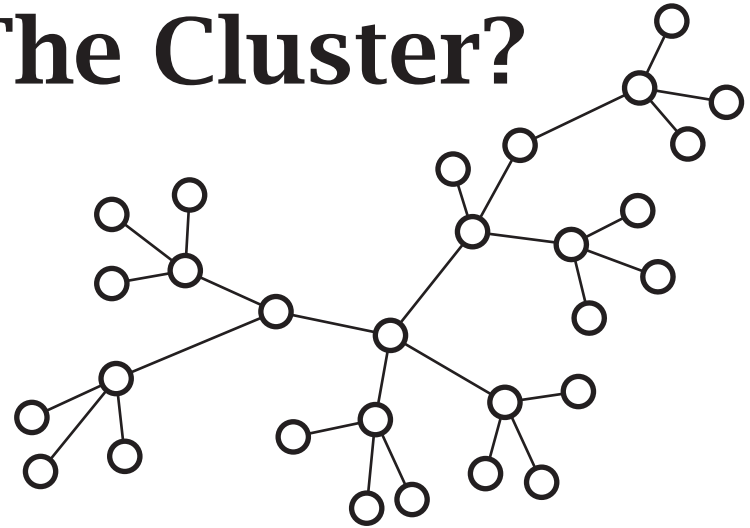
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The Shamrock?



The Cluster?



The Orchestra?

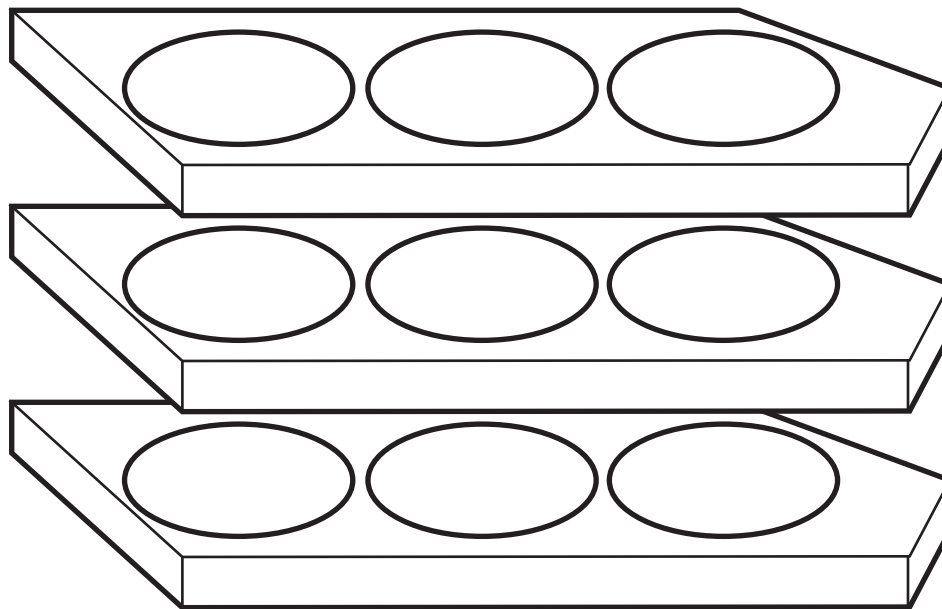
The horizontal organization

Value Proposition

- Set of benefits
- Distinctive
- Competitive advantage/
superior performance

The horizontal organization

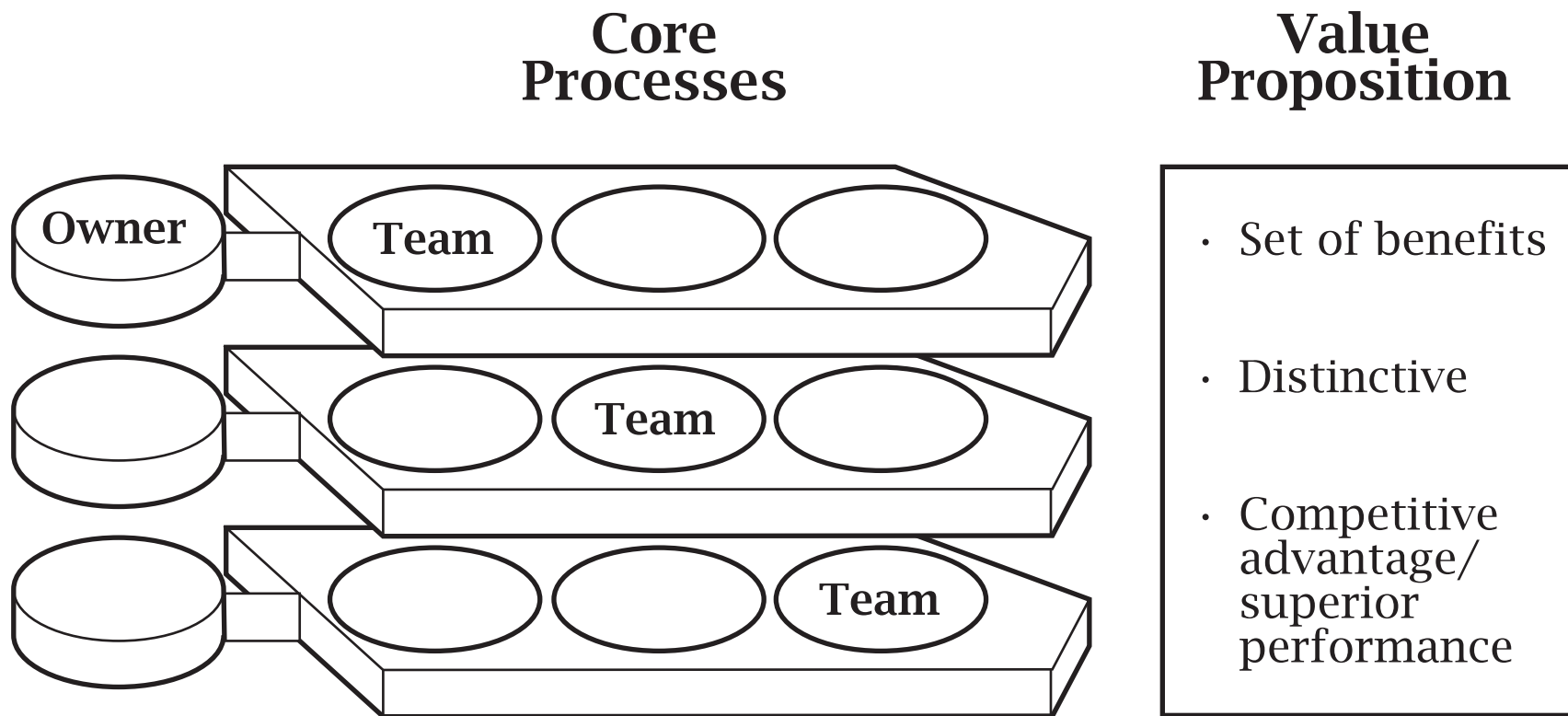
**Core
Processes**



**Value
Proposition**

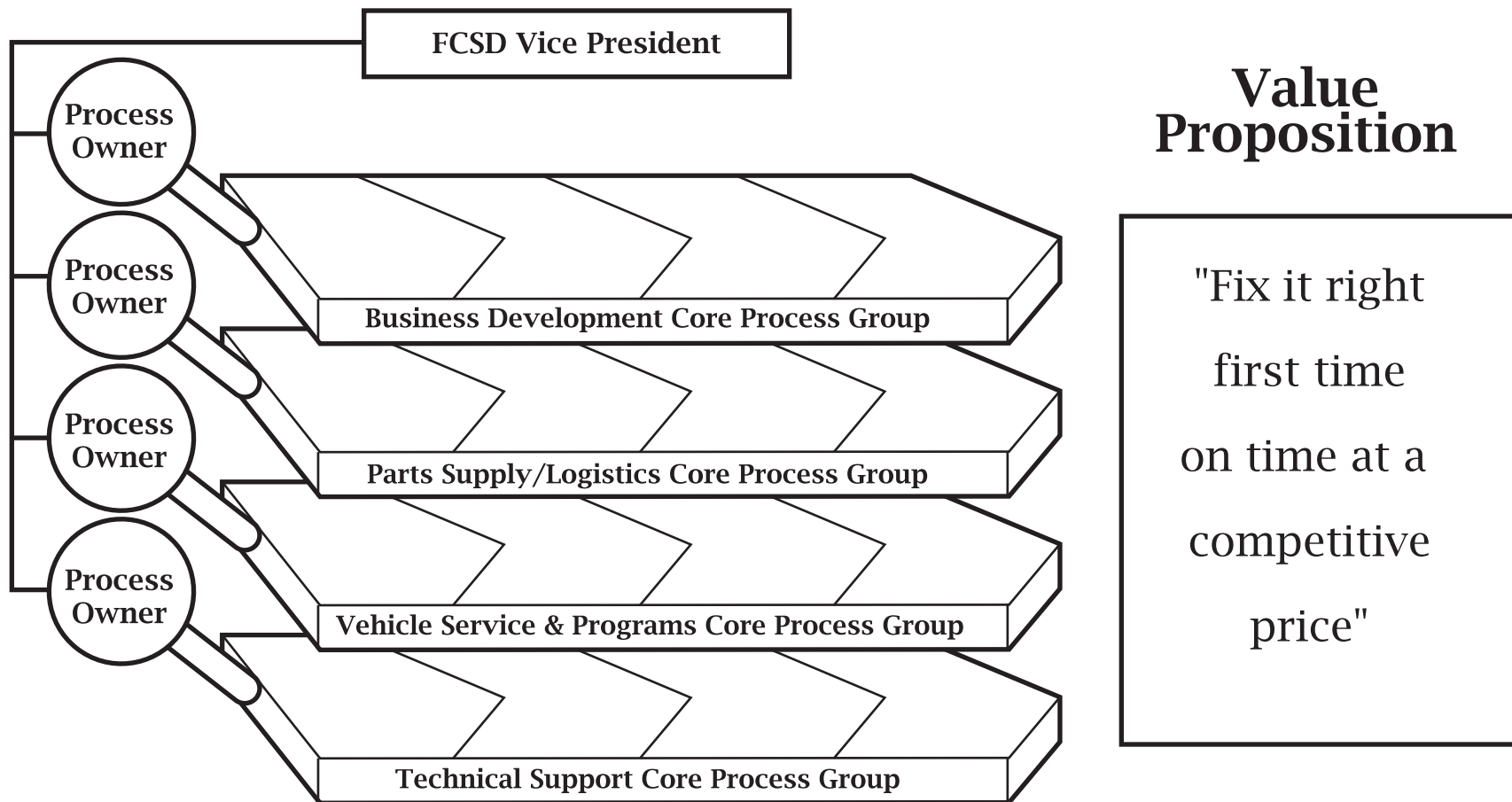
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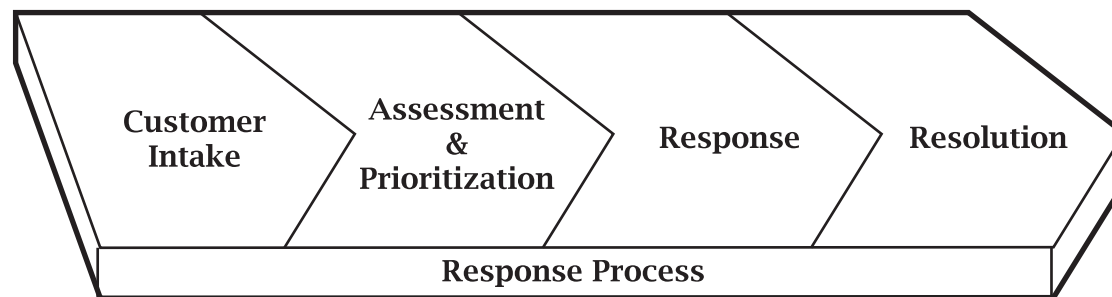
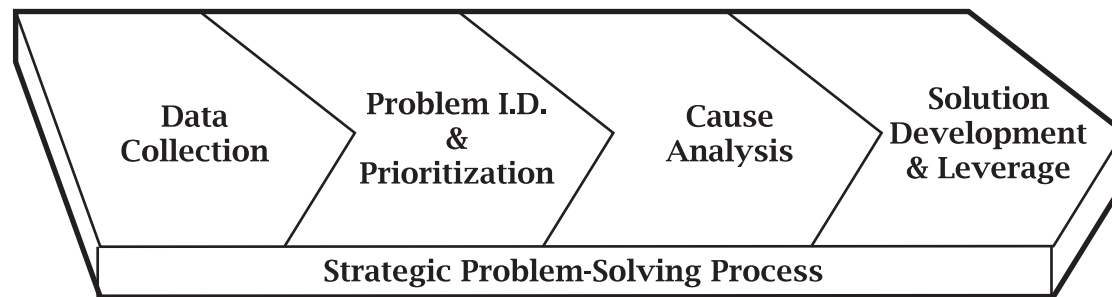


The horizontal organization

Ford Customer Service Division



Occupational Safety & Health Administration - Field enforcement

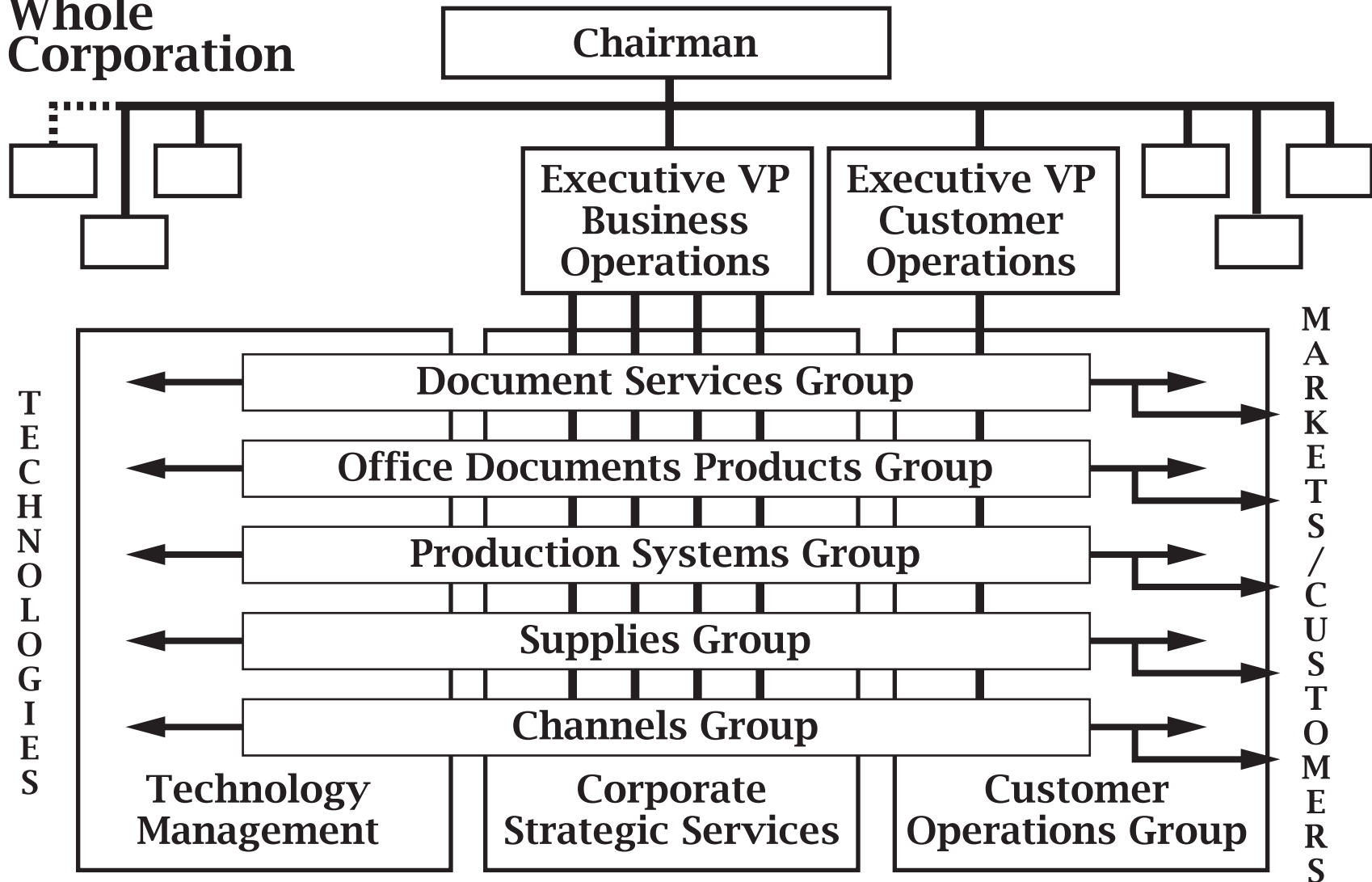


Value Proposition

A superior job of
effectively and
efficiently
assuring safe and
healthful working
conditions

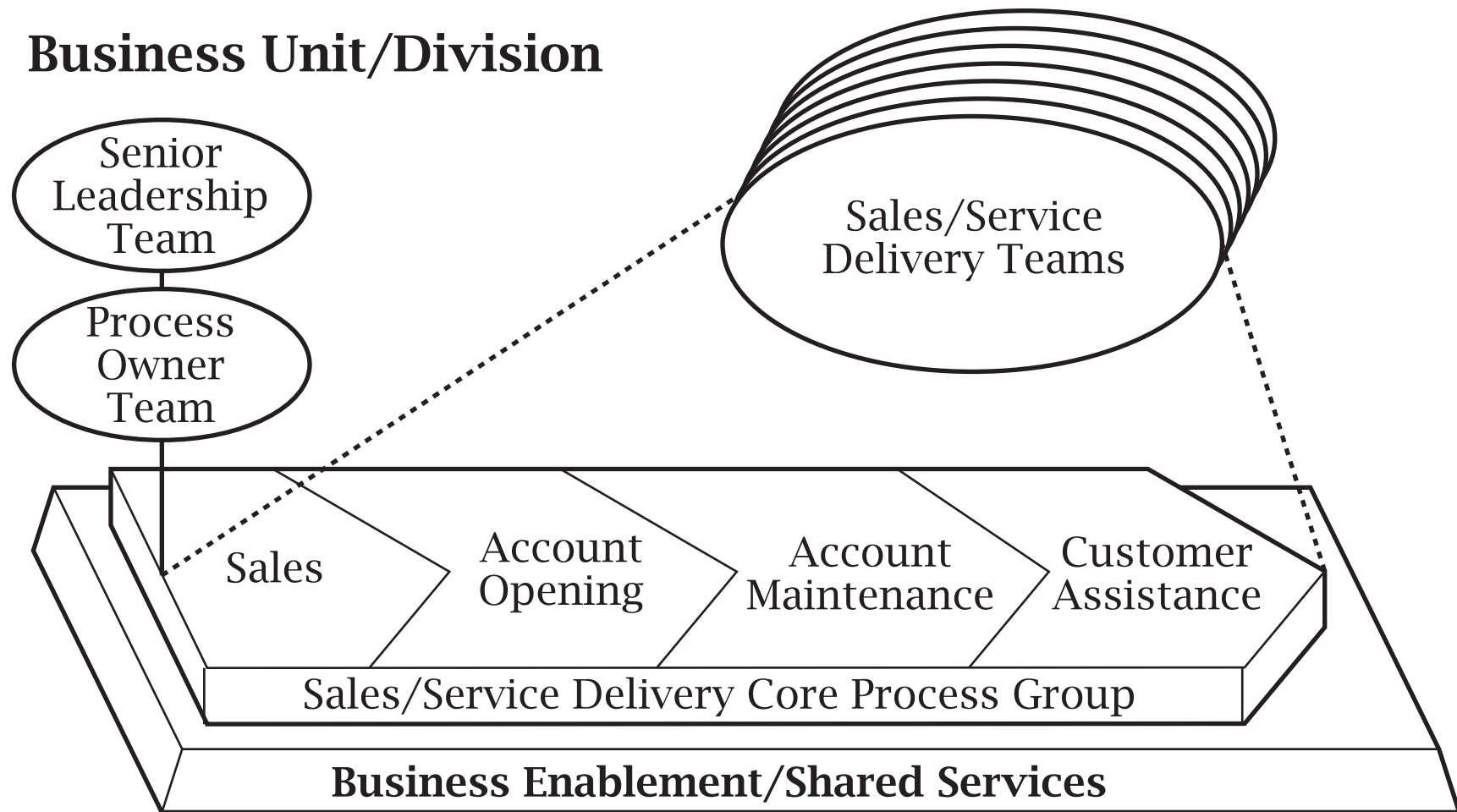
Xerox

Whole Corporation



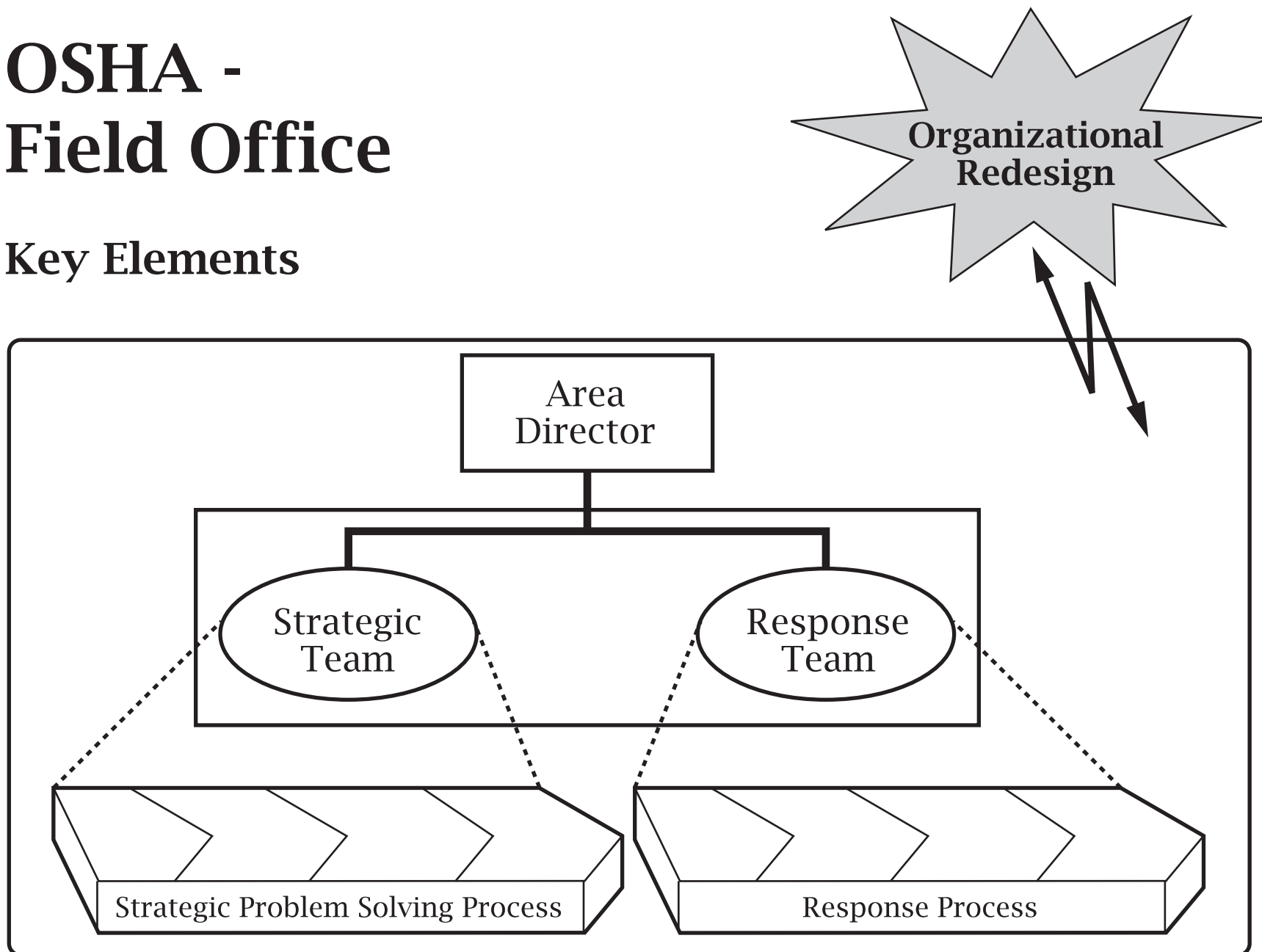
Barclays Bank - Home Financial Division

Business Unit/Division



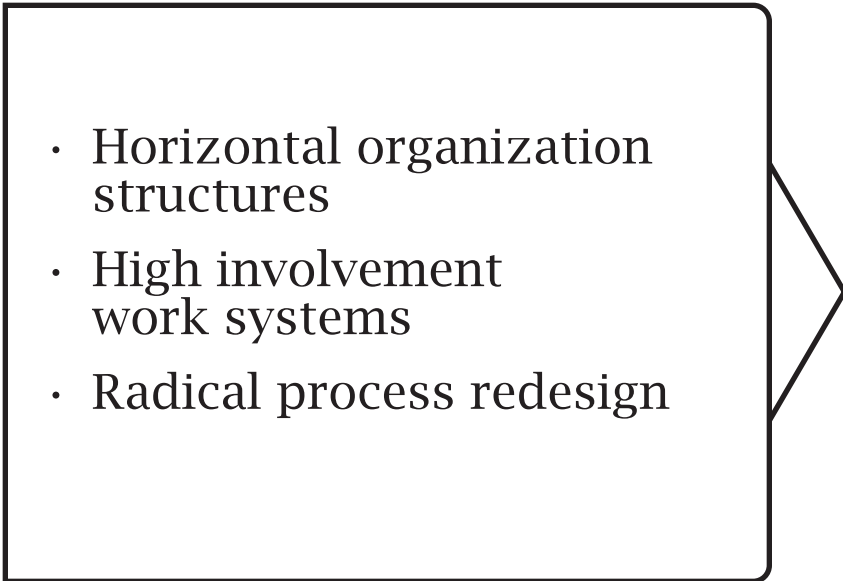
OSHA - Field Office

Key Elements



Improving Performance

Enablers

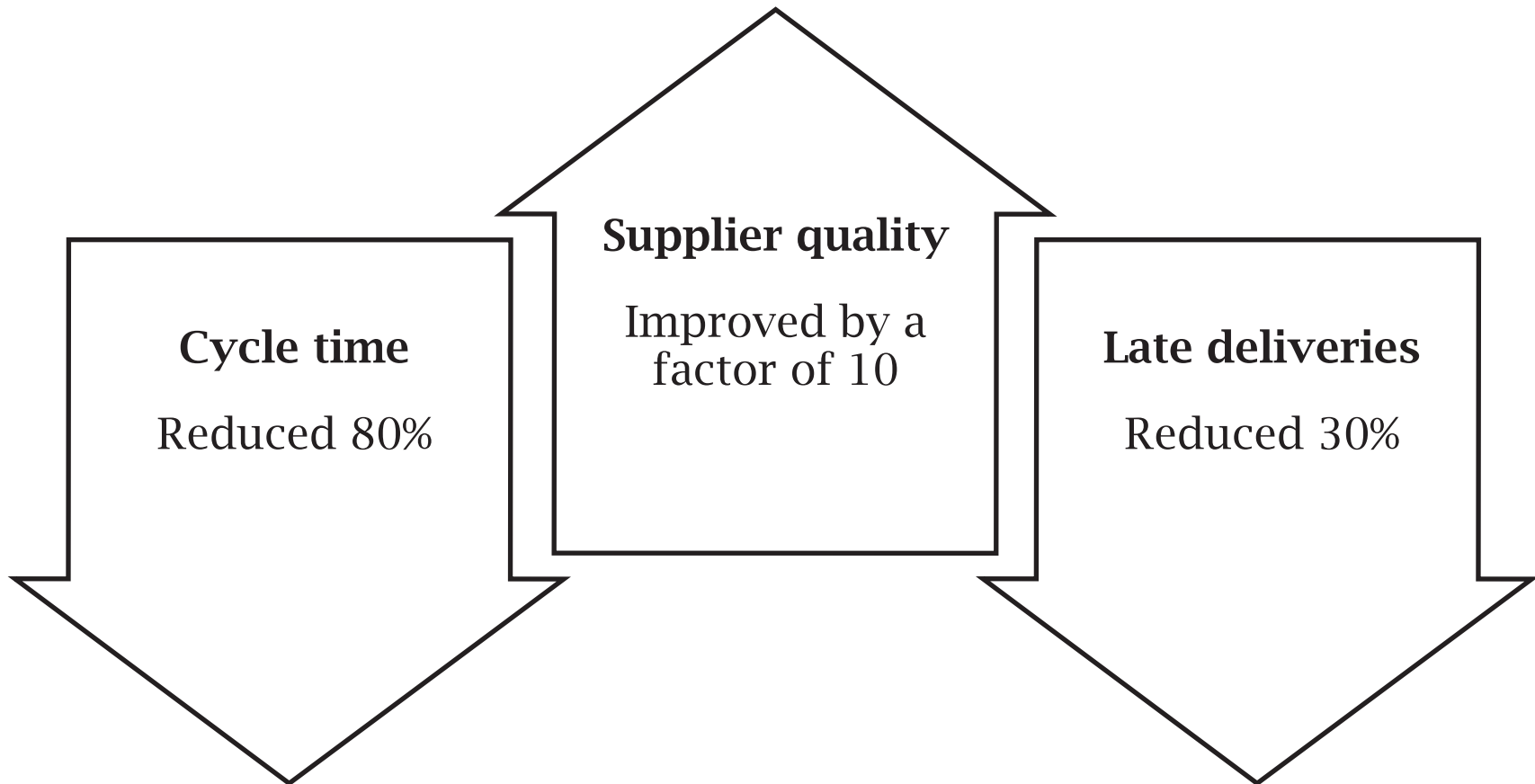
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- Horizontal organization structures
 - High involvement work systems
 - Radical process redesign

Benefits

- Integrated solutions
- Speed
- Customer focus
- Efficiency
- Innovation
- Learning
- Growth
- Continuous improvement

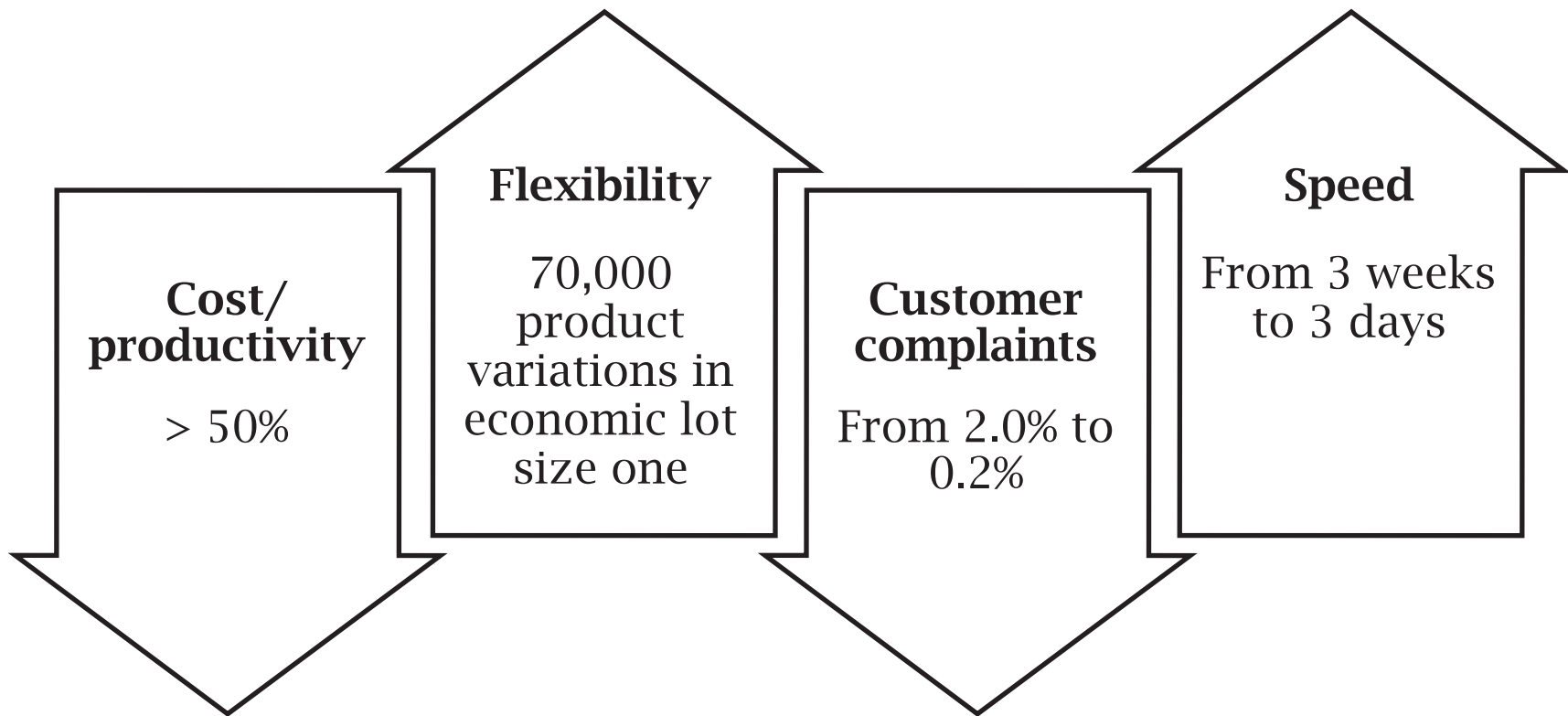
Performance results - Horizontal core process group

Motorola - Government Electronics Group



Performance results - Horizontal operating unit

General Electric - Salisbury



Design principles

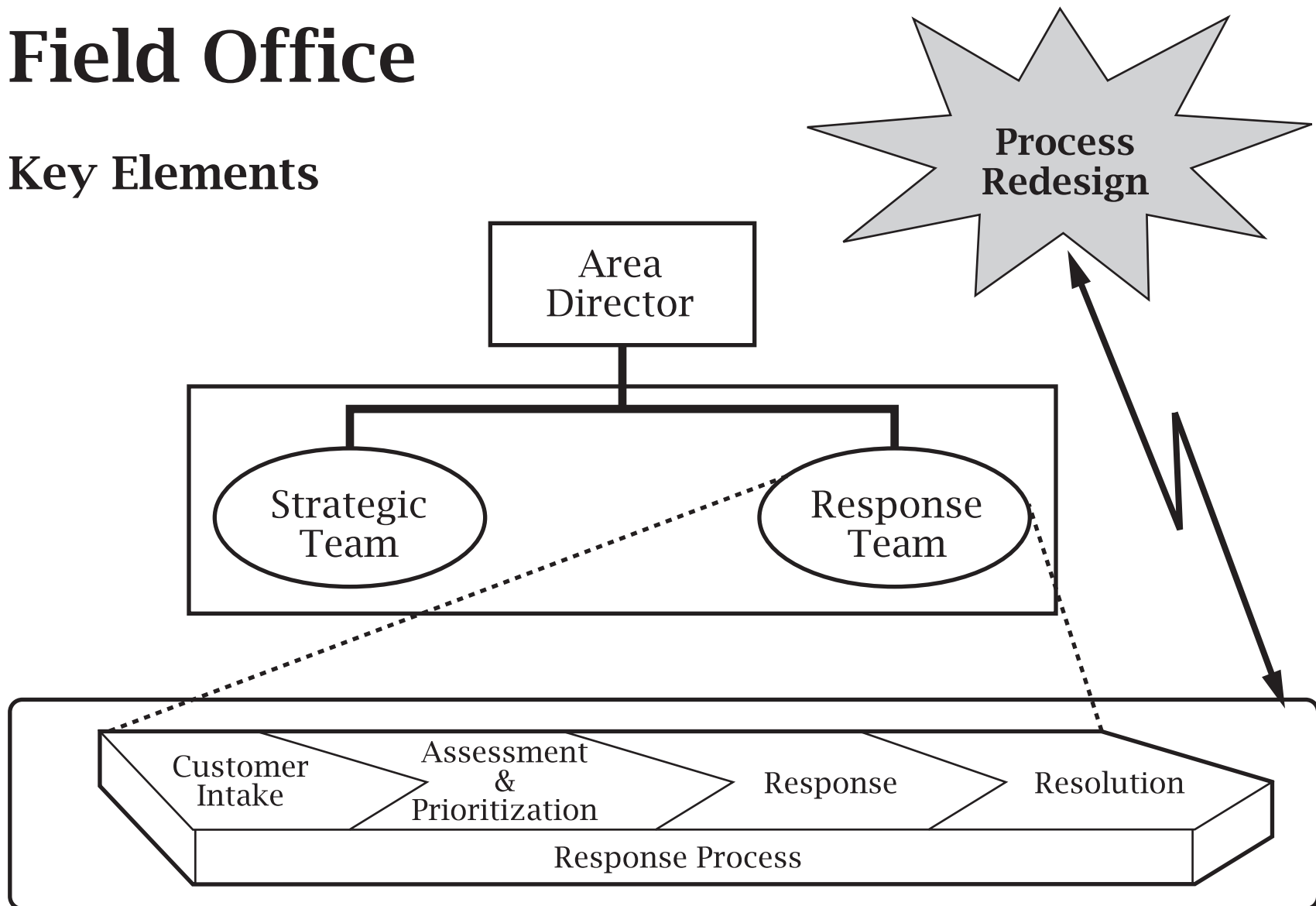
1. Organize around processes, not functions
2. Flatten hierarchy
3. Make the team the principle building block
4. Assign senior leaders to be process owners
5. Integrate with suppliers and customers

Design principles

6. Empower people
7. Use I.T. to enhance process performances
8. Emphasize multiple competencies
9. Transform remaining functions to be partners in process performance
10. Measure "end-of-process" performance with balanced perspective
11. Develop a supportive culture

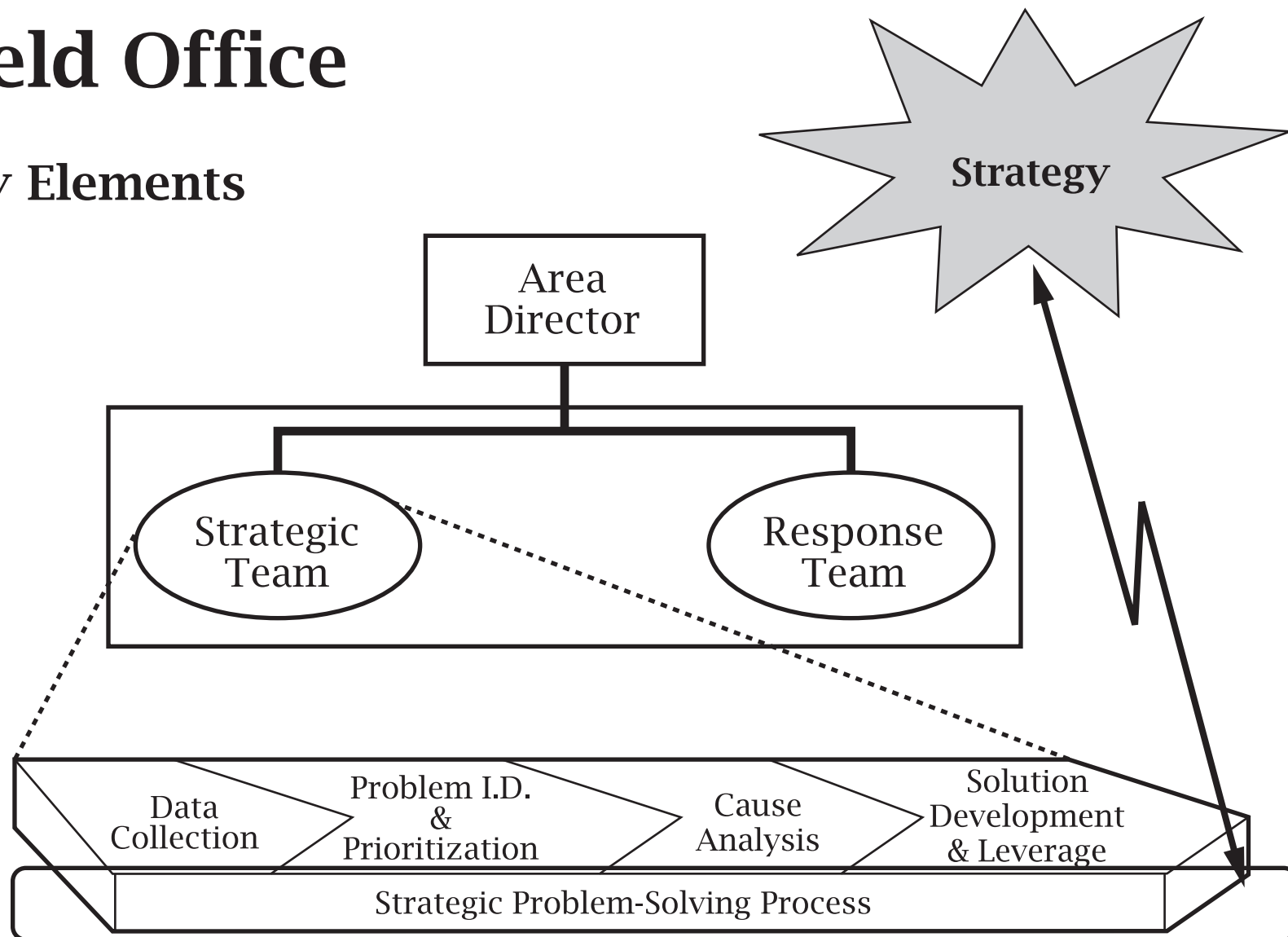
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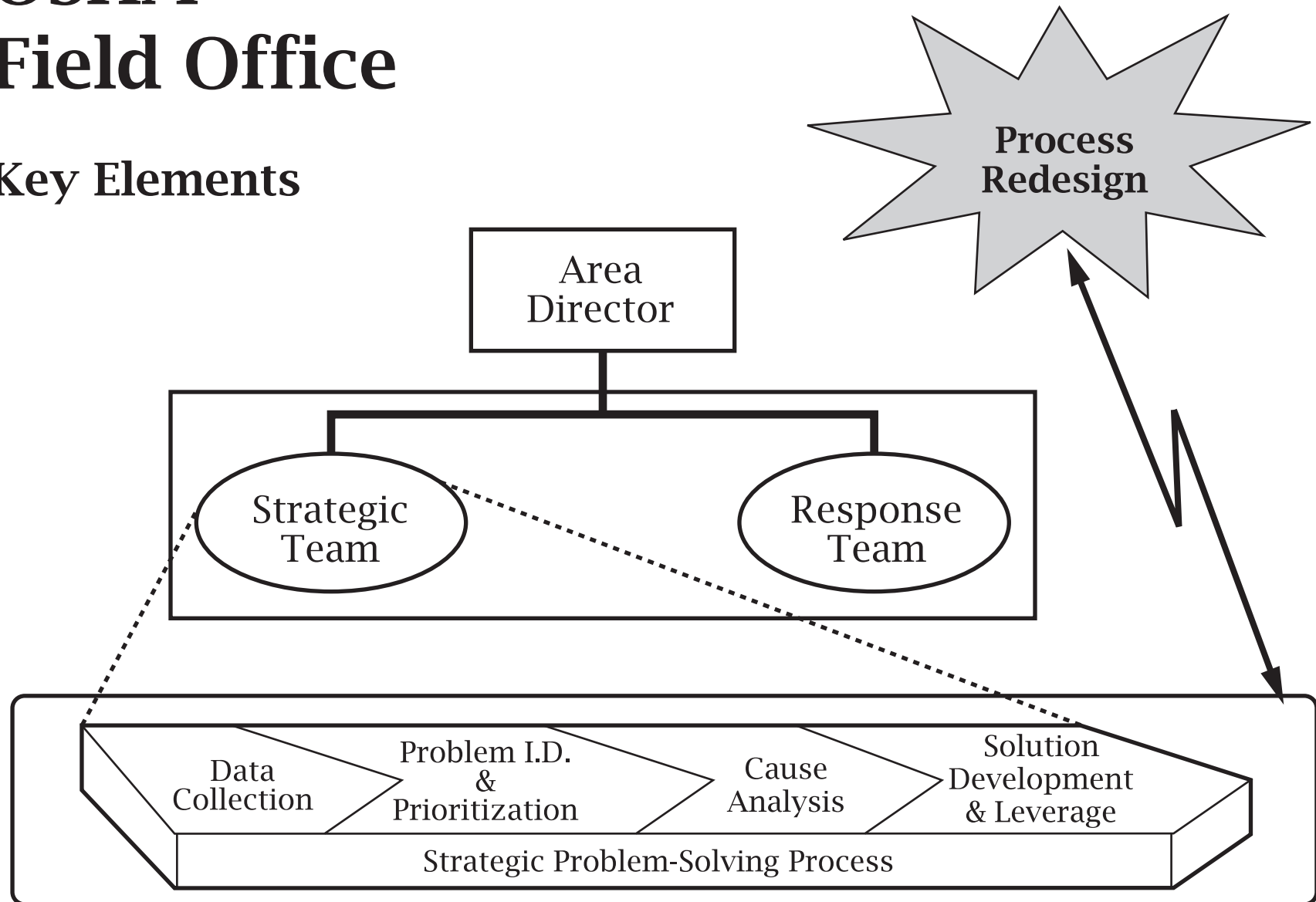
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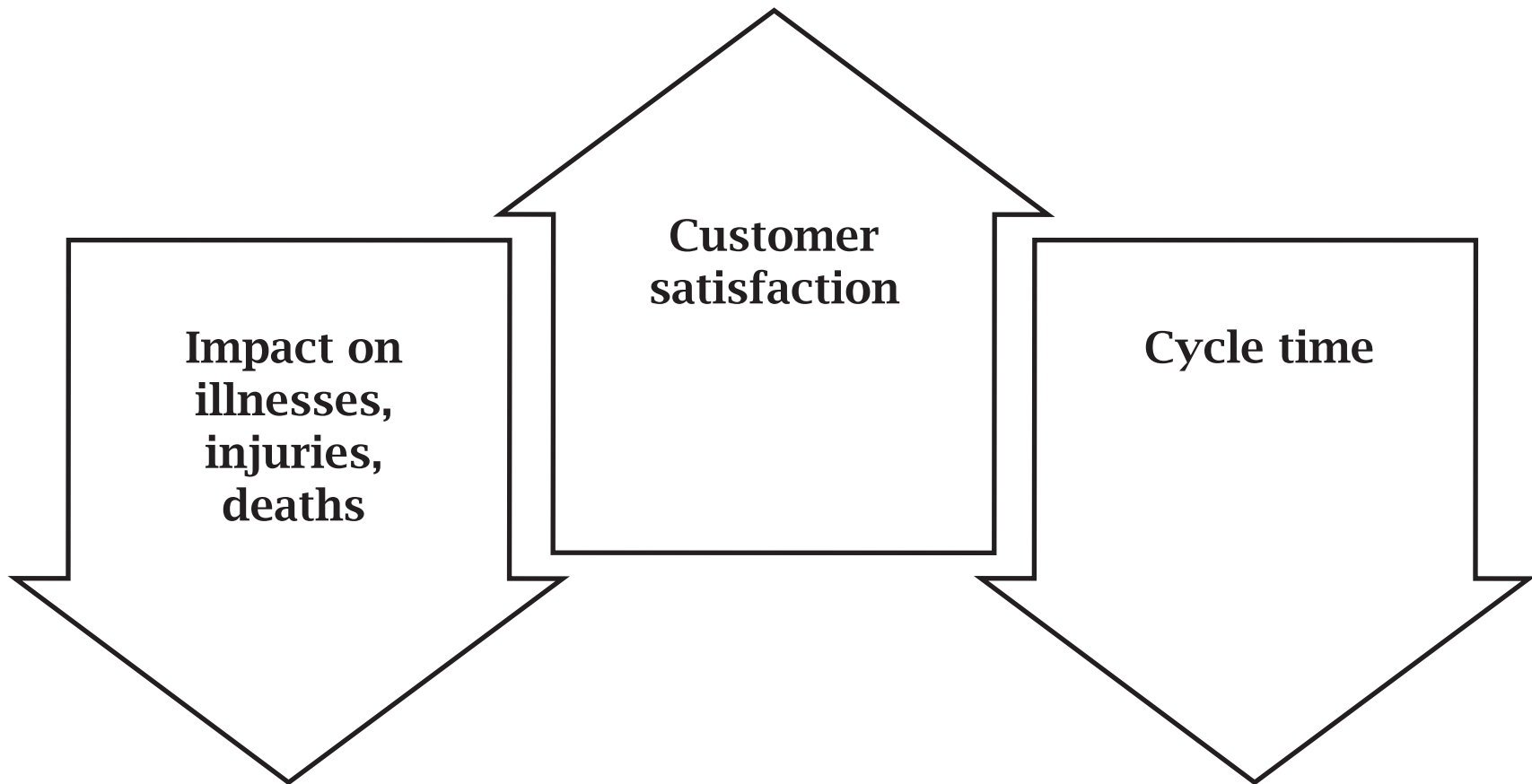


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Performance results



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Overview: OSHA change roadmap

The "Old OSHA"

Performance

- Limited impact on I.I.D.
- Inefficient/poor leveraging
- Poor responsiveness
- "Zero Sum"

Organization

- Reactive
- Enforcement only
- Fragmented
- Internal orientation
- Overly complex

Overview: OSHA change roadmap

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The "New OSHA"

Performance

- High impact on I.I.D.
- World-class operational efficiency/maximum leverage
- World-class customer responsiveness
- "Win-Win"

Organization

- Proactive
- Enforcement and cooperation
- Cross-functional cooperation
- Results orientation
- Streamlined

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Process Phase

1994 | 1995 | 1996 | 1997 | 1998 | 1999

Lay the Foundation

- Set direction
- Build knowledge
- Redesign strategy/organization/processes
- Build team
- Develop change/communications capability

Design Implementation/Performance Improvement

- Prepare initial sites
- Kick-off
- Kick-start

Institutionalization

- Full rollout
- Implement continuous improvement program
- Monitor and renew

The "New OSHA"

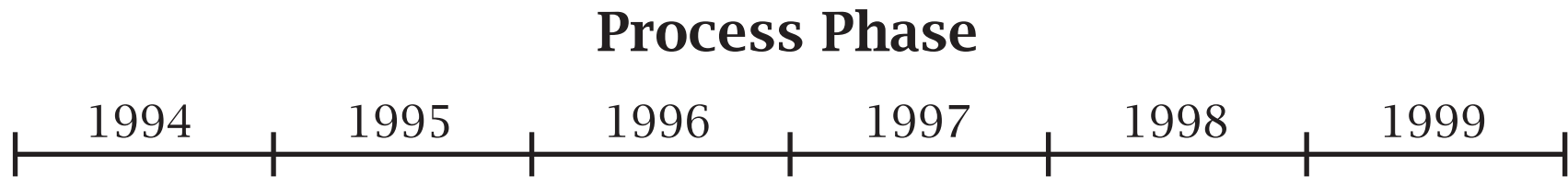
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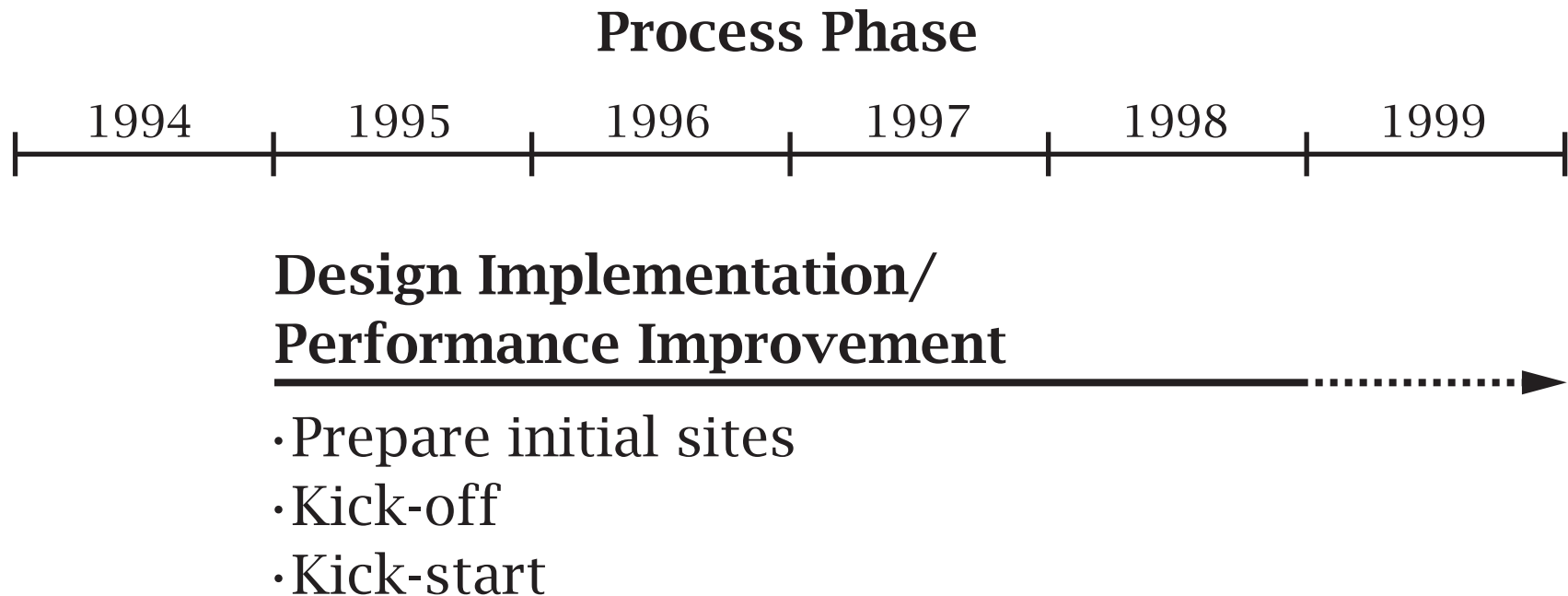
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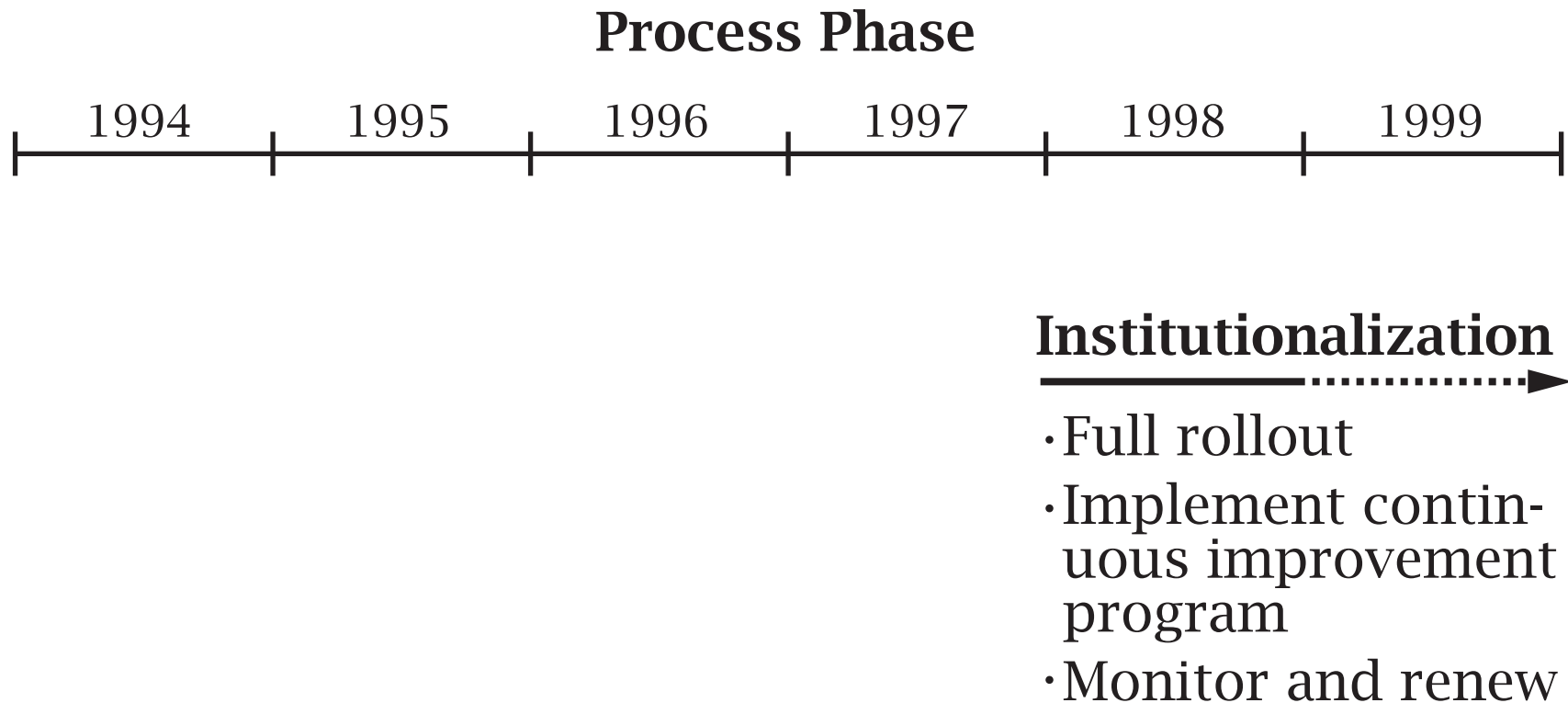
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Cross-functional process redesign



Breadth

Activity- or function-focused

- End-to-end
- Encompasses all relevant units - internal or external

Depth

Redesign a few organization elements - work flows, procedures, etc.

- Redesign of all elements - roles, IT/S, skills, incentives, etc.

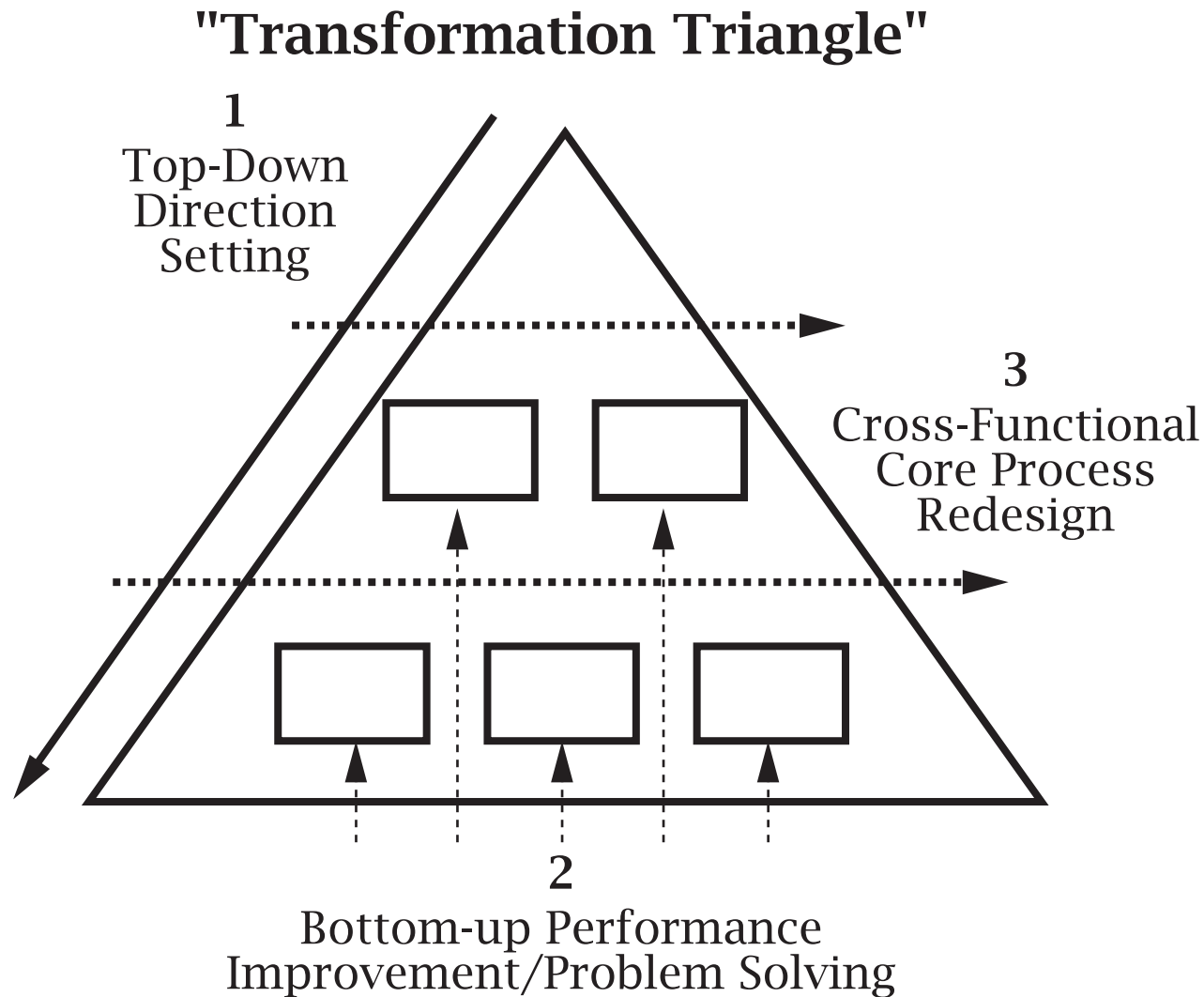
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Change management



Integrated change initiatives

1. Top-down direction setting:

- Provide change rationale
- Set objectives/monitor progress
- Break bottlenecks
- Reinforce new behaviors
- Foster continuous improvement

2. Bottom-up change initiatives:

- Provide tools for front-line problem solving
- Engage in structured performance improvement
- Build new skills
- Link performance to contributions

3. Across:

- Redesign cross-functional processes/org. structures
- Utilize "diagonal slice" design/implementation teams
- Conduct best-practice workshops
- Establish cross-functional performance objectives
- Reward collaborative, cross-functional behaviors

OSHA

1. Top down direction setting/culture shaping

- "No preventable injuries, illness, deaths"
- "Reinvent or else"
- Impact goals
- Promotion/recognition
- Town meetings
- Accountability actions

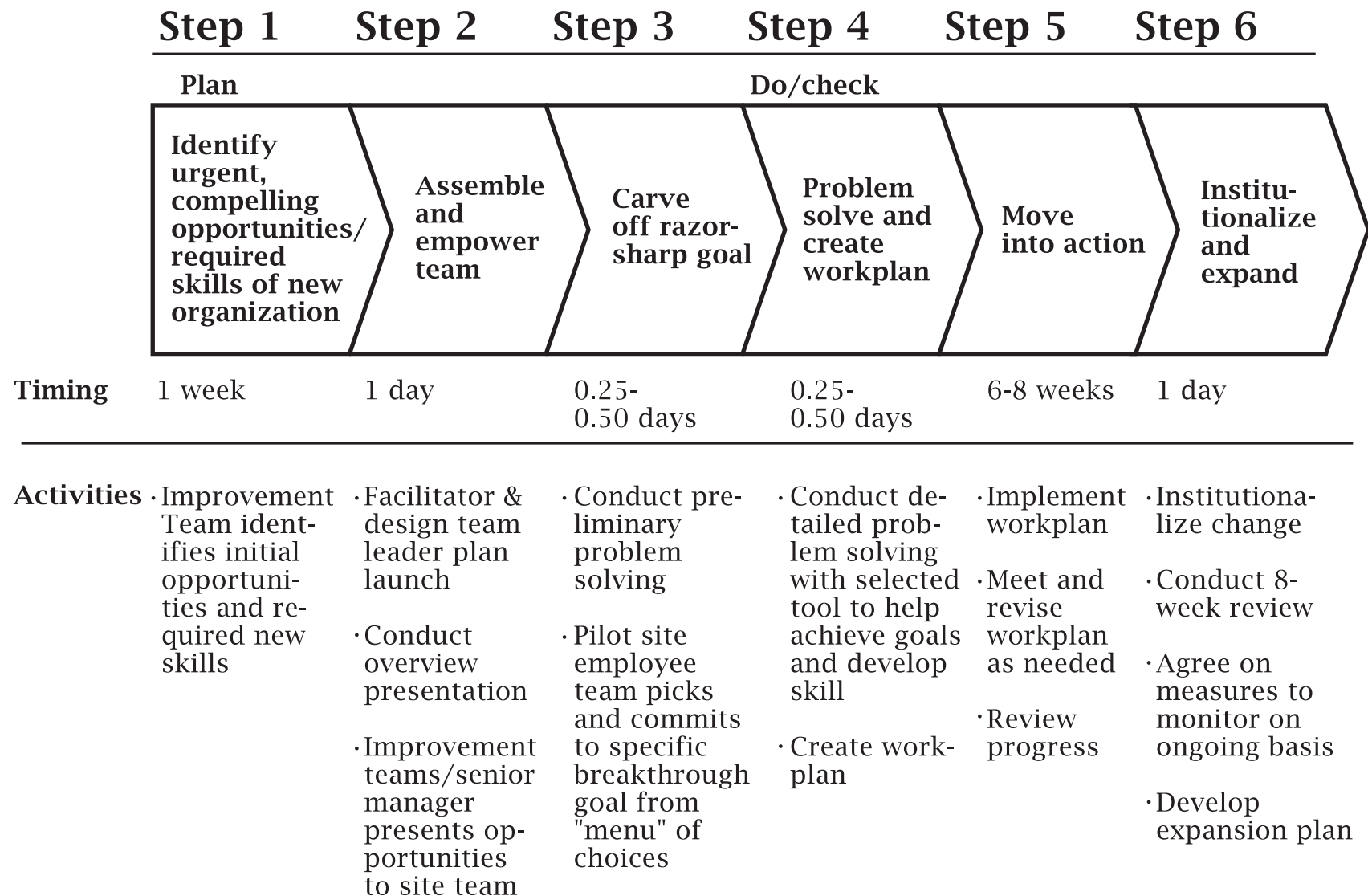
2. Bottom up performance improvement

- Field office: unit-by-unit redesign/skill and behavior change
- "Breakthrough"

3. Organization/process redesign

- "Diagonal slice" team redesigns: "strategy organization, processes"
- Best practices workshops
- Organization-wide roll-out

Breakthrough approach



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Parting thoughts

"If transforming performance was as straightforward as setting objectives, developing a plan and providing support...there would be a lot more successes out there."